

**MULTIPLE FAMILY HOUSING PROJECT BUDGET/  
UTILITY ALLOWANCE**

PROJECT NAME		BORROWER NAME		BORROWER ID AND PROJECT NO.	
Loan/Transfer Amount \$		Note Rate Payment \$		IC Payment \$	
Reporting Period <input type="checkbox"/> Annual <input type="checkbox"/> Quarterly <input type="checkbox"/> Monthly	Budget Type <input type="checkbox"/> Initial <input type="checkbox"/> Regular Report <input type="checkbox"/> Rent Change <input type="checkbox"/> SMR <input type="checkbox"/> Other Servicing	Project Rental Type <input type="checkbox"/> Family <input type="checkbox"/> Elderly <input type="checkbox"/> Congregate <input type="checkbox"/> Group Home <input type="checkbox"/> Mixed <input type="checkbox"/> LH	Profit Type <input type="checkbox"/> Full Profit <input type="checkbox"/> Limited Profit <input type="checkbox"/> Non-Profit	The following utilities are master metered: <input type="checkbox"/> Electricity <input type="checkbox"/> Gas <input type="checkbox"/> Water <input type="checkbox"/> Sewer <input type="checkbox"/> Trash <input type="checkbox"/> Other _____	
				<input type="checkbox"/> I hereby request _____ units of RA. Current number of RA units _____. Borrower Accounting Method <input type="checkbox"/> Cash <input type="checkbox"/> Accrual	

**PART I—CASH FLOW STATEMENT**

1. Enter last years (2005) approved budget figures here.	BEGINNING DATES> ENDING DATES>	CURRENT BUDGET { 2005 }	ACTUAL { Blank }	PROPOSED BUDGET { 2006 }	COMMENTS or (YTD) { - - }
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**OPERATIONAL CASH SOURCES**

1. RENTAL INCOME .....					
2. RHS RENTAL ASSISTANCE RECEIVED .....					
3. APPLICATION FEES RECEIVED .....					
4. LAUNDRY AND VENDING .....					
5. INTEREST INCOME .....					
6. TENANT CHARGES .....					
7. OTHER - PROJECT SOURCES .....					
8. LESS (Vacancy and Contingency Allowance) .....	( )			*	
9. LESS (Agency Approved Incentive Allowance) .....	( )			*	
10. SUB-TOTAL [(1 thru 7) - (8 & 9)] .....					

**NON-OPERATIONAL CASH SOURCES**

11. CASH - NON PROJECT .....					
12. AUTHORIZED LOAN (Non-RHS) .....				*	
13. TRANSFER FROM RESERVE .....				*	
14. SUB-TOTAL (11 thru 13) .....					
15. TOTAL CASH SOURCES (10+14) .....					

**OPERATIONAL CASH USES**

16. TOTAL O&M EXPENSES (From Part II) .....					
17. RHS DEBT PAYMENT .....				*	
18. RHS PAYMENT (Overage) .....					
19. RHS PAYMENT (Late Fee) .....					
20. REDUCTION IN PRIOR YEAR PAYABLES .....					
21. TENANT UTILITY PAYMENTS .....					
22. TRANSFER TO RESERVE .....				*	
23. RETURN TO OWNER .....				*	
24. SUB-TOTAL (16 thru 23) .....					

**NON-OPERATIONAL CASH USES**

25. AUTHORIZED DEBT PAYMENT (Non-RHS) .....				*	
26. LONG-TERM IMPROVEMENTS .....				*	
27. MISCELLANEOUS .....				*	
28. SUB-TOTAL (25 thru 27) .....					
29. TOTAL CASH USES (24+28) .....					

**30. NET CASH (DEFICIT) (15-29) .....****CASH BALANCE**

31. BEGINNING CASH BALANCE .....				*	
32. ACCRUAL TO CASH ADJUSTMENT .....					
33. ENDING CASH BALANCE (30+31+32) .....					

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0189. It is estimated that this information collection is estimated to average 2 1/2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering the data needed, and completing and reviewing the collection of information.

31. Realistic estimated actual cash on hand as of 1/1/2006, including funds in the General Operating, Taxes & Insurance, & Petty Cash Accounts.

See Note on last page of this Budget.

8. Contingency should be based on 3 years vacancy rate, not to exceed 15% with 15 units or less, or 10% if more than 15 units or approved SWOP that addresses vacancy problem.

9. Incentives must have prior RD approval

12. If partner is making loan to borrower prior RD approval is required.

13. Must agree with Part III line 7 & Part V column 2.

17. Actual amount of RD annual debt payment only.

22. Must meet with Loan Agreement/Resolution or Workout Plan and with Part III, Line 2

23. Reflect the Return to Owner and notate in the Comment Column which year is being reflected.

25. Debt repayment other than RD (i.e. Loan from General partners, MHDC, etc.). Please specify.

30. Budgets will not be approved with a negative cash flow unless you have excess funds in your general operating account that will be used for capital improvements in lieu of using reserve funds.

26. Must agree with Part V column 2 & 4.

## PART II—OPERATING AND MAINTENANCE EXPENSE SCHEDULE

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
1. MAINTENANCE AND REPAIRS PAYROLL .....				
2. MAINTENANCE AND REPAIRS SUPPLY .....				
3. MAINTENANCE AND REPAIRS CONTRACT .....				
4. PAINTING AND DECORATING .....				
5. SNOW REMOVAL .....				
6. ELEVATOR MAINTENANCE/CONTRACT .....				
7. GROUNDS .....				
8. SERVICES .....				
9. FURNITURE & FURNISHING REPLACEMENT .....				
10. OTHER OPERATING EXPENSES ( <i>Itemize</i> ) .....				
11. SUB-TOTAL MAINT. & OPERATING ( <i>1 thru 10</i> ) .....				
12. ELECTRICITY <span style="font-size: small;">If master metered</span> .....				
13. WATER <span style="font-size: small;">check box on</span> .....				
14. SEWER <span style="font-size: small;">front.</span> .....				
15. FUEL ( <i>Oil/Coal/Gas</i> ) .....				
16. GARBAGE & TRASH REMOVAL .....				
17. OTHER UTILITIES .....				
18. SUB-TOTAL UTILITIES ( <i>12 thru 17</i> ) .....				
19. SITE MANAGEMENT PAYROLL .....				
20. MANAGEMENT FEE .....				
21. PROJECT AUDITING EXPENSE .....				
22. PROJECT BOOKKEEPING/ACCOUNTING .....				
23. LEGAL EXPENSES .....				
24. ADVERTISING .....				
25. TELEPHONE & ANSWERING SERVICE .....				
26. OFFICE SUPPLIES .....				
27. OFFICE FURNITURE & EQUIPMENT .....				
28. TRAINING EXPENSE .....				
29. HEALTH INS. & OTHER EMP. BENEFITS .....				
30. PAYROLL TAXES .....				
31. WORKER'S COMPENSATION .....				
32. OTHER ADMINISTRATIVE EXPENSES ( <i>Itemize</i> ) .....				
33. SUB-TOTAL ADMINISTRATIVE ( <i>19 thru 32</i> ) .....				
34. REAL ESTATE TAXES .....				
35. SPECIAL ASSESSMENTS .....				
36. OTHER TAXES, LICENSES & PERMITS .....				
37. PROPERTY & LIABILITY INSURANCE .....				
38. FIDELITY COVERAGE INSURANCE .....				
39. OTHER INSURANCE .....				
40. SUB-TOTAL TAXES & INSURANCE ( <i>34 thru 39</i> ) .....				
41. TOTAL O&M EXPENSES ( <i>11+18+33+40</i> ) .....				

Include in this section normal unit turnover costs (i.e. painting, replacement of carpet, appliances, etc.) Do not include in Capital Budget. Identify unit turnover costs in your budget narrative.

If utilities are included in rent, be sure to check with utility provider for any planned increases. Include explanation with your budget narrative.

20. Must agree with Management Agreement & approved Management Certification (3560-13). Cannot receive fees for non-revenue (i.e. Site Mgr. unit). Base these fees on 100% occupancy.

21. For 16 units or more, must use CPA for Engagement Report.

24. Must advertise at least once during year and more if needed.

25. Telephone expense for property, not management.

27. Must be for site manager's office, not management company.

28. Training expense for property employees, not management employees

32. Cost for transmitting tenant certifications should be shown in this field. You can either charge the complex the service fee for transmitting tenant certifications, or the actual cost of the computer and software. This must be approved by RD.

Note: Proposed expenses by subtotal category should not exceed 10% of last year's expenses or comparable or explanation submitted.



### PART III—ACCOUNT BUDGETING/STATUS

	CURRENT BUDGET	ACTUAL	PROPOSED BUDGET	COMMENTS or (YTD)
<b>RESERVE ACCOUNT:</b>				
1. BEGINNING BALANCE .....				
2. TRANSFER TO RESERVE .....			*	
TRANSFER FROM RESERVE.....				
3. OPERATING DEFICIT .....				
4. BUILDING REPAIR & IMPROVEMENTS .....				
5. EQUIPMENT REPAIR & REPLACEMENT .....				
6. OTHER NON-OPERATING EXPENSES .....				
7. TOTAL (3 thru 6) .....	( )	( )	*	
8. ENDING BALANCE [(1+2)-7] .....				

2. This must agree with Part I line 22, and meet loan agreement/ resolution or servicing workout plan.

7. Must match Part I line 13, and Part V total of column 2

#### GENERAL OPERATING ACCOUNT:\*

BEGINNING BALANCE .....

ENDING BALANCE .....



#### REAL ESTATE TAX AND INSURANCE ESCROW ACCOUNT:\*

BEGINNING BALANCE .....

ENDING BALANCE .....



#### TENANT SECURITY DEPOSIT ACCOUNT:\*

BEGINNING BALANCE .....

ENDING BALANCE .....



(\*Complete upon submission of actual expenses.)

NUMBER OF APPLICANTS ON THE WAITING LIST

NUMBER OF APPLICANTS NEEDING RA.....


RESERVE ACCT. REQ. BALANCE.....

AMOUNT AHEAD/BEHIND .....


#### **Written narrative must be submitted with the budget and must include the following:**

- Brief description of the project and its status (i.e. it should highlight any issues concerning vacancies, unexpected maintenance, or other items that affect the budget.
- A statement of project compliance. It should indicate any outstanding monitoring findings and the borrower's progress in addressing these compliance problems.
- A description of the project's financial status and any changes that occurred during the past year and factors contributing to financial difficulties.
- An explanation of any changes in project expenses or cash sources that exceed the tolerance threshold.
- An explanation of projected capital expenditures and reserve withdrawals for the upcoming year and capital needs for the next 3 years beyond the budget year.
- If applicable, a statement that the proposed budget includes a rent increase and reasons for the increase.
- Any additional documentation that may benefit the Agency in reviewing the proposed budget.

**IMPORTANT - If budget is submitted without this Narrative, it will be considered INCOMPLETE & RETURNED!!!**

### A. CURRENT APPROVED RENTS/ UTILITY ALLOWANCE

**HINT:** Compare the rents here with your monthly project worksheet to verify if rents are correct.

NOTE	HUD
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NOTE: The total Basic Rent Potential Income should agree with Line 1 of Part I.

UNIT DESCRIPTION			RENTAL RATES			POTENTIAL INCOME FROM EACH RATE		
BR SIZE	UNIT TYPE	NUMBER	BASIC	NOTE RATE	HUD	BASIC	NOTE RATE	HUD
PROPOSED RENT TOTALS:								
						BASIC	NOTE	HUD

**HINT:** Be sure that you have a reasonable spread between the 1 and 2 bedroom units based on the square footage. Consult with your Servicing Office for guidance. It is possible to increase the rent on the 2 bedroom units and leave the rent on the 1 bedroom units the same. You may want to verify with the Area Office the correct spread between the Basic Rent and Note Rate Payment.

**HINT:** Be sure that you have a reasonable spread between the 1 and 2 bedroom units based on the square footage. Consult with your Servicing Office for guidance. It is possible to increase the rent on the 2 bedroom units and leave the rent on the 1 bedroom units the same. You may want to verify with the Area Office the correct spread between the Basic Rent and Note Rate Payment.

C. PROPOSED UTILITY ALLOWANCE - Effective Date:           /           /

[illegible]

Please use this section to show the proposed Utility Allowance for the coming year, and attach documentation to either retain or change the Utility Allowance amount.

Note: If the average utility costs changed less than 15%, provide information regarding rate changes and sampling of individual tenant utility usage.

If utility costs changed by more than 15% - need billing information or documentation from utility companies and sampling of tenant utility usage from utility company.

If no changes in utility costs – documentation in budget narrative that no change in rates occurred in period being reviewed and public release from utility provider indicating no change in rates.

# PART V - ANNUAL CAPITAL BUDGET

Enter the number of Units planned for in this column.

	Proposed Number of Units/Items	Proposed from Reserve	Actual from Reserve	Proposed from Operating	Actual from Operating	Actual Total Cost	Total Actual Units/Items
Appliances:		2		4			
Range .....							
Refrigerator .....							
Range Hood .....							
Washers & Dryers .....							
Other: .....							
Carpet & Vinyl:							
1BR .....							
2BR .....							
3BR .....							
4BR .....							
Other: .....							
Cabinets:							
Kitchens .....							
Bathrooms .....							
Other: .....							
Doors:							
Exterior .....							
Interior .....							
Other: .....							
Window Coverings:							
List: .....							
Other: .....							
Heating & Air Conditioning:							
Heating .....							
Air Conditioning .....							
Other: .....							
Plumbing:							
Water Heater .....							
Bath Sinks .....							
Kitchen Sinks .....							
Faucets .....							
Toilets .....							
Other .....							
Major Electrical:							
List: .....							
Other: .....							
Structures:							
Windows .....							
Screens .....							
Walls .....							
Roofing .....							
Siding .....							
Exterior Painting .....							
Other .....							
Paving:							
Asphalt .....							
Concrete .....							
Seal & Stripe .....							
Other: .....							
Landscape & Grounds:							
Landscaping .....							
Lawn Equipm .....							
Fencing .....							
Recreation Area .....							
Signs .....							
Other: .....							
Accessibility Features:							
List: .....							
Other: .....							
Automation Equipment:							
Site Management .....							
Common Area .....							
Other: .....							
Other:							
List: .....							
List: .....							
List: .....							
<b>TOTAL CAPITAL EXPENSES:</b>		*					

Unit Turnover Costs and Replacement items such as carpet, appliances, air conditioners, should be planned as an operating expense in Part II, Line 1-10. Do not include on this Page!

Anything Shown in this Column must be included in Part III, Line 7 & Part I, Line 13 & Line 26

Anything Shown in this Column must be for a Capital Improv. & included in Part I Line 26.

NOTE: Roofing, concrete for parking lots, sidewalks, etc., are an allowable use of reserve monies.

Must agree with Part III, line 7 and Part I Line 13.

Don't forget to plan for any capital improvements that were noted on any inspection completed by RD, or Transition Plan Items, or Items from your Capital Improvement 5 Year Plan.

**PART VI -- SIGNATURES, DATES AND COMMENTS**

**Warning:** Section 1001 of Title 18, United States Code provides: "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both.

I HAVE READ THE ABOVE WARNING STATEMENT AND I HEREBY CERTIFY THAT THE FOREGOING INFORMATION IS COMPLETE AND ACCURATE TO THE BEST OF MY KNOWLEDGE.

**2006**

**This must be an original signature. No stamp!**

\_\_\_\_\_  
(DATE)

\_\_\_\_\_  
(Signature of Borrower or Borrower's Representative)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
**AGENCY APPROVAL** (*Rural Development Approval Official*):

\_\_\_\_\_  
DATE:

\_\_\_\_\_  
**COMMENTS:**

**Timeframes for Submitting Budget:**

If no rent increase – Due 60 days prior to start of fiscal year.

For Rent Increase – Due 90 days prior to start of fiscal year.

**Note: Prepare your budget according to approved Servicing Workout Plan, if applicable.**

Note: Did you include the anticipated income from interest earned, laundry services, and tenant charges in Part I, Lines, 4, 5, 6??? (Note: should not include anticipated forfeited security deposits.